

Consolidated Benefits

Health

Dental

Vision



2005

For Excluded Employees and Eligible Represented Employees in ☐
Bargaining Units 2,7,8,16,17,18 and 19

Consolidated Benefits

Overview

As an employee for the State of California, you have the opportunity to select your health and dental benefits from a variety of plan options offered by the State. You choose the plans and coverage levels that best meet your needs. Depending on your plan choices, you share the cost of those benefits with the State.

Under Consolidated Benefits (CoBen), which is part of the State's FlexElect Program, the State will provide you with a total benefit allowance, rather than providing specific contribution amounts for your health, dental and vision benefits. Depending on the total cost of the benefit plans you choose, CoBen may allow you to receive additional taxable income each month, which you can use to offset out-of-pocket premium costs.

This brochure offers you valuable information so that you can make the most out of the CoBen Program.

Who is Eligible

Eligibility for CoBen is determined through the collective bargaining process for represented employees. Current bargaining units participating in CoBen are units 2, 7, 8, 16, 17, 18, and 19. All employees excluded from collective bargaining (those employees classified as excluded, exempt, and confidential) are also eligible.

Making Changes to Your Current Benefit Elections

September 15 - October 15, 2004, is the open enrollment period for this year. During this time, you have the opportunity to:

- Enroll for the first time
- Change your health and/or dental plan
- Elect CoBen Cash in lieu of your health and dental coverage or your health coverage only
- Add or delete eligible dependents covered by your health and/or dental plans.

How CoBen Works

It's simple. First, identify the amount of your CoBen allowance. This is the amount the State will provide you to pay the premiums for the health and dental plans you select and the State vision plan. The amount of your CoBen allowance depends on whether you're covering yourself only, or dependents too.

Next, choose the benefit plans that best meet your needs. The table on page 7 shows the premium cost of each plan. Then, total the cost of the plans you've selected and compare it to your CoBen allowance.

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- ❑ If the total cost of the plans you choose is less than your benefit allowance, you'll receive the difference as taxable cash (excess cash) in your paycheck. The excess cash amount will be subject to state, federal, and social security taxes. In order to receive excess cash, you must be enrolled in health, dental, and vision. If you're not enrolled in all three benefits, then you will not be eligible to receive excess cash.

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- ❑ If the total cost of the plans you've chosen is more than your CoBen allowance, you will pay the difference with pre-tax dollars, which will be automatically deducted from your paycheck. This amount is not subject to state, federal, Social Security, or Medicare taxes.

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- ❑ If the total cost of the plans you have chosen is equal to your CoBen allowance, you will pay nothing, and you'll receive no cash back.

You make the most out of your participation in CoBen by making cost-effective benefit choices, which can result in extra money for you each month in your paycheck. It's also important that you carefully consider your choices to ensure they will meet your ongoing health and dental needs and those of your eligible dependents.

COBEN Contributions

Represented Employee CoBen Allowance

The CoBen allowance for represented employees is determined through collective bargaining.

Employees represented by State Bargaining Units that have renegotiated bargaining agreements with the State will receive the 2005 CoBen allowance. All other represented employees will continue to receive the 2003/2004 CoBen allowance (as applicable).

	2003	2004	2005
Employee only	\$266	\$300	\$327
Employee plus one dependent	\$515	\$582	\$633
Employee plus two or more dependents	\$679	\$756	\$824

Excluded Employee CoBen Allowance

	2004	2005
Employee only	\$302	\$328
Employee plus one dependent	\$593	\$643
Employee plus two or more dependents	\$768	\$836

The CoBen allowance amount for excluded employees is determined by the Department of Personnel Administration.

Cash Option

There are two possible ways to receive CoBen Cash in your paycheck. If the premiums for your health, dental, and vision coverage add up to less than your total CoBen allowance, you will receive the excess as CoBen Cash in your paycheck. If you have coverage through another source, such as your spouse, you may opt to receive cash in

lieu of both your health and dental coverage or for your health coverage only. To receive CoBen Cash in lieu of benefits, you must complete the CoBen Cash Enrollment Election Form.

These payments are considered taxable income and are as follows:

- \$155 — if you decline both the State-sponsored health and dental plans
- \$130 — if you decline only the State-sponsored health plan

Note: You will not receive any CoBen Cash if you decline dental coverage only.

CoBen Cash payments are included with your regular paycheck and are subject to the same payroll taxes (federal, state, and Social Security) as your regular salary. However, CoBen Cash payments are not considered compensation for retirement purposes. This additional cash is reported on your W-2 statement in the same tax year you received the CoBen Cash payment.

Permanent Intermittent Employees (PIs) Enrolled in CoBen Cash

If you are a Permanent-Intermittent (PI) employee, you may enroll in CoBen Cash, but have limited eligibility. All PI employees who either qualify or expect to qualify for CoBen Cash during the next plan year **must** make an election to enroll in the Cash Option during the CoBen Open Enrollment Period by completing a Consolidated Benefits Cash Enrollment Election (STD. 702).

Actual participation in CoBen Cash will be contingent on meeting the required eligibility criteria. Those criteria are:

- That you are eligible to enroll into a health or health and dental insurance plan as of January 1, 2005, and
- Your PI appointment is effective from January 1, 2005 through June 30, 2005, and
- You are paid for at least 480 hours during the period of January through June 2005, and
- You've completed a STD. 702 form during the CoBen Open Enrollment Period or as newly eligible after the open enrollment period, but prior to January 1.

Dental Coverage

It is important for you to keep in mind that the choice you make for your dental coverage -- whether to keep your State-sponsored dental coverage or receive cash in lieu of dental coverage -- is a three-year commitment .

This means:

- 1) If you enroll in the Cash Option for health only and enroll in a State dental plan, you must remain in a State dental plan for three years, unless you experience a valid "permitting event" under the CoBen Program. (See next page for list of permitting events.)
- 2) If you enroll in the Cash Option for health and dental, you may not cancel your dental Cash Option for three years, unless you lost your other dental coverage, or you canceled both your health and dental CoBen Cash during an open enrollment period, or due to a valid permitting event under the CoBen Program.

After completing the three-year commitment, employees may enroll in a dental plan during the open enrollment period.

Vision Coverage

All employees are automatically enrolled in the State's vision plan. Therefore, you need to add in the cost of this coverage when calculating the total cost of your benefits. For employees in CoBen, enrollment in the vision plan is **mandatory**.

Premium Only Plan

If you elect to receive cash in lieu of your State-sponsored health plan but enroll in a State-sponsored dental plan, then your benefit allowance will be the amount of your dental and vision premium. In this situation, you will receive cash in lieu of health, and your dental and vision premiums will be fully paid. You will not have an out-of-pocket dental and vision premium cost.

Changes Allowed Due to Permitting Events

Your CoBen choices, whether for health and dental benefits, or for cash in lieu of health or health and dental benefits, are in effect for your entire period of participation. Your period of participation begins with the effective date of your enrollment and ends on December 31 of each year, or sooner if you leave active pay status or cancel your enrollment. You may not change or cancel your CoBen choices during the year unless you experience a valid permitting event, listed on the next page.

Permitting Events

Canceling or changing your CoBen Cash and/or CoBen choices is permitted only under the following circumstances (called “permitting events”). All changes, cancellations, and enrollments ***must*** be taken within 60 days of the date of the permitting event.

Permitting Event	Action Allowed
Initial appointment to state service	You may enroll as newly eligible.
Marriage	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Divorce (date of final divorce), legal separation, annulment	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Birth, adoption or child placed for adoption	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Death of spouse	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Loss of or commencement of spouse's employment	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Loss of medical and/or dental coverage provided through spouse, domestic partner, or other source due to an employment status change	If you are currently enrolled in the CoBen Cash option, you may cancel/change your CoBen Cash choices.
Medical/dental plan is no longer available	If you are currently enrolled, you may cancel/change your medical/dental plans. No new enrollments are allowed.
Moving out of a group practice plan service area	You may cancel/change your CoBen choices, however, no new enrollments are allowed. If your plan is no longer available, you may enroll in a new plan.
New health and/or dental plan(s) in area where none was previously available	You may change to the new health and/or dental plan. New enrollments are not allowed.
Addition or deletion of dependents on health and/or dental plans	If permissible under CalPERS for health and DPA for dental, you may change the party code on your health and/or dental plans.

CoBen - What it Means to You

How CoBen affects you will depend on your personal situation and the benefit plans you choose. Remember that CoBen offers you the opportunity to move money among benefit choices in order to maximize the total benefit allowance the State provides to you, or receive additional taxable monthly income under the circumstances described previously.

eligible to receive CoBen Cash in your paycheck each month. An automated calculation worksheet is available at the Department of Personnel Administration's (DPA) Web site at www.dpa.ca.gov (under Employee Benefits/Consolidated Benefits).

The following worksheet will help you calculate whether you will have monthly out-of-pocket premium costs deducted from your paycheck or be

Calculating Your Cost or Savings

1. Enter the amount of your CoBen allowance. Refer to chart on page 3..... \$ _____

2. Refer to the 2005 Benefit Plan Premiums table on page 7, identify your health and dental plans, and enter their total premium costs.

Health Plan — (plan name) _____ (total premium) \$ _____

Dental Plan — (plan name) _____ (total premium) \$ _____

Vision Plan\$ 8.52 _____

3. Total cost of your premiums \$ _____

4. Subtract the total cost of your premiums (Line 3) from your CoBen allowance (Line 1)..... \$ _____

If the amount on line 4 is a positive number, you'll receive this amount of taxable income each month. It will be noted on your paycheck as CoBen Cash. If the amount is a negative number, this is your net monthly out-of-pocket premium cost for the benefits you've selected. This amount will be deducted from your paycheck on a pre-tax basis.

2005 Benefit Plan Premiums

Health Plans

	1 PARTY (Employee only)	2 PARTY (Employee + 1 dependent)	3 PARTY (Employee + 2 or more dependents)
Blue Shield HMO	\$355.03	\$710.06	\$923.08
Kaiser	335.63	671.26	872.64
Kaiser Out-of-State	475.92	951.84	1,237.39
PERS Choice (PPO)	366.08	732.16	951.81
PERSCare (PPO)	613.79	1,227.58	1,595.85
Western Health Advantage	322.47	644.94	838.42
PORAC	399.00	748.00	950.00
CAHP****	318.61	626.22	817.08
CCPOA			
(CCPOA No. Cal.)	332.00	664.00	896.00
(CCPOA So. Cal)	274.00	548.00	740.00

Dental Plans

	1 PARTY (Employee only)	2 PARTY (Employee + 1 dependent)	3 PARTY (Employee + 2 or more dependents)
<i>Delta Dental Plans*</i>			
DeltaPremier (Basic)**	\$45.45	\$79.98	\$115.99
DeltaPremier (Enhanced)***	\$47.31	\$94.03	\$132.27
DeltaPreferred Option	\$39.89	\$78.17	\$117.94
<i>Pre-Paid Dental Plans</i>			
SafeGuard (Standard)**	\$14.31	\$23.18	\$32.48
SafeGuard (Enhanced)***	\$14.00	\$23.70	\$29.19
PMI	\$16.70	\$27.40	\$37.90

* There will be no change in the Delta Dental plans' premium cost for the 2005 plan year

**Available to represented employees

***Available to excluded employees

Note: Because of the merger and consolidation of the HealthNet Dental Plan into the SafeGuard Dental Plan, the HealthNet name has been eliminated. Premiums for the SafeGuard Standard Plan are lower than in 2004. With what is now the SafeGuard Enhanced Plan, there are no premium cost changes for the 2005 plan year.

VISION PLAN

Vision Service Plan	\$8.52	\$8.52	\$8.52
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****For further information on CAHP Plan Premiums, CAHP members please contact the CAHP Benefits Trust. Health Plan rates shown are subsidized rates for supervisory (S05) or managerial (M05) employees enrolled in the CAHP Prudent Buyer Basic Plan.

**CONSOLIDATED BENEFITS (COBEN)
CASH ENROLLMENT ELECTION**

STD. 702 (NEW 4-2000)

COBEN**SEE PRIVACY NOTICE ON REVERSE SIDE****PLEASE TYPE OR USE BALL POINT PEN, PRINT CLEARLY--SEND COMPLETED FORM TO YOUR DEPARTMENT'S PERSONNEL/PAYROLL OFFICE**

1. ENROLLMENT (Check appropriate box)	2. SOCIAL SECURITY NUMBER
A. <input type="checkbox"/> Open Enrollment	3. NAME (First, MI, Last)
B. <input type="checkbox"/> Newly Eligible Enrollment	
C. <input type="checkbox"/> Change in Status Event	
D. <input type="checkbox"/> Cancellation	

COBEN ELECTIONS - QUESTIONS REGARDING THE FOLLOWING PLAN ELECTIONS SHOULD BE DIRECTED TO YOUR PERSONNEL/PAYROLL OFFICE

BENEFIT ITEM	ENTER MONTHLY COBEN CASH AMOUNT	5. For SCO Use Only Type of Change
4. CoBen Cash 354-020	A. Health Only \$ _____ B. Health and Dental \$ _____	

6. STATEMENT OF OTHER HEALTH OR STATEMENT OF OTHER HEALTH AND DENTAL COVERAGE

I certify that I am covered by another health or another health and dental plan as indicated below. I certify that I will maintain coverage in this health or health and dental plan on an ongoing basis and I agree to notify my Personnel Office within 60 days if I lose coverage.

A. HEALTH INSURANCE PLAN NAME	C. OTHER COVERAGE THROUGH (Check one) <input type="checkbox"/> Spouse <input type="checkbox"/> Domestic Partner <input type="checkbox"/> Other
B. DENTAL INSURANCE PLAN NAME	D. IF YOUR HEALTH/ DENTAL INSURANCE IS THROUGH YOUR SPOUSE OR DOMESTIC PARTNER, COMPLETE THIS ITEM Spouse's or Domestic Partner's Employer Social Security Number <input type="checkbox"/> State <input type="checkbox"/> Other

7. I UNDERSTAND THAT MY COBEN CASH ELECTION IN LIEU OF HEALTH OR HEALTH AND DENTAL COVERAGE WILL CONTINUE FROM YEAR TO YEAR UNTIL I TAKE ACTION TO CHANGE OR CANCEL MY ENROLLMENT.

IF I AM A PERMANENT INTERMITTENT EMPLOYEE I UNDERSTAND THAT THIS CONTINUOUS ENROLLMENT DOES NOT APPLY TO ME AND THAT I MUST REENROLL EACH YEAR DURING THE ANNUAL OPEN ENROLLMENT PERIOD.

I understand that my benefit elections are regulated under Section 125 of the Internal Revenue Service (IRS) Code. I understand that regulations under the IRS Code require that my benefit choices authorized by this election are irrevocable until the next scheduled open enrollment unless I have a valid "Change in Status Event" as defined in IRS Code Section 125 or other permitting events as defined by the Department of Personnel Administration (DPA).

I HAVE READ AND AGREE TO THE TERMS AND CONDITIONS OF THE COBEN CASH ELECTION AS OUTLINED ON THIS ELECTION FORM AND BY DPA.

EMPLOYEE SIGNATURE

DATE SIGNED

**AGENCY USE ONLY**

8. EFFECTIVE DATE OF ACTION MO DAY YEAR -1-	9. EMPLOYEE CBID	10. PERMITTING EVENT DATE MO DAY YEAR	11. PERMITTING EVENT CODE	
12. HEALTH FORM ATTACHED (HBD - 12) <input type="checkbox"/> YES <input type="checkbox"/> NO	13. DENTAL FORM ATTACHED (STD. 692) <input type="checkbox"/> YES <input type="checkbox"/> NO	14. PERMANENT INTERMITTENT <input type="checkbox"/> YES <input type="checkbox"/> NO	15. AGENCY CODE	16. UNIT CODE
17. REMARKS		18. AGENCY NAME		
		19. AUTHORIZED AGENCY SIGNATURE I hereby certify under penalty of perjury as follows: That I am the duly appointed, qualified and acting officer of the herein named agency, that I am authorized to make this certification and that the employee named herein is eligible for enrollment in Consolidated Benefits.		
		20. DATE RECEIVED IN EMPLOYING OFFICE (mo) (day) (year)		
		21. TELEPHONE NUMBER (Indicate if CALNET or give area code)		

DISTRIBUTION: Original - State Controller's Office; Pink - Agency; Goldenrod - Employee

**CONSOLIDATED BENEFITS (COBEN)
CASH ENROLLMENT ELECTION**

STD. 702 (NEW 4-2000) (REVERSE)

PRIVACY NOTICE

The Information Practices Act of 1977 (Civil Code Section 1798.17) and the Federal Privacy Act (Public Law 93-579) require that this notice be provided when collecting personal information from individuals.

Information requested on this form is used by the State Controller's Office and the plan administrator for the purposes of identification and document processing.

It is mandatory to furnish all information requested on this form. Failure to provide the mandatory information may result in enrollment elections not being processed or being processed incorrectly.

The State Controller's Office requires employee's social security number and name for identification purposes. Legal references authorizing maintenance of this information include Government Code Sections 1151 and 1153, Sections 6011 and 6051 of the Internal Revenue Code, and Regulation 4, Section 404.1256, Code of Federal Regulations, under Section 218, Title II of the Social Security Act.

Copies of the Consolidated Benefits (CoBen) Cash Enrollment Election are maintained in confidential files of the State Controller's Office for five years. Employees have the right of access to copies of their Consolidated Benefits (CoBen) Cash Enrollment Election upon request. Send requests to: State Controller's Office, Personnel/Payroll Operations Branch, P.O. Box 942850, Sacramento, California 94250-5878, Attention: Benefits Unit.

NOTES:

